

## MEMORANDUM

**Date:** January 24, 2014

**To:** All Interested Parties

**From:** Katrina M. Johantgen, Executive Director

**Subject:** State Charter School Facilities Incentive Grants Program (CFDA #84.282D)  
Frequently Asked Questions

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This information is provided by the California School Finance Authority (Authority) and should be considered by charter schools while preparing an application for the 2014 Round (Round 10) of the State Charter School Facilities Incentive Grants Program (Program). This information also has been posted on the Authority's web site at [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa). If you have any questions or require additional information, please contact the Authority at (213) 620-4467 or (916) 651-7710.

### **I. What's New:**

**Q: *Are charter schools eligible to apply for funding from both the Charter School Facility Grant Program (SB 740) and this Program?***

**A:** *Charter schools may apply for both programs; however, charter schools that receive grant funds authorized under either of these two programs should be aware that they may not receive funding in excess of 75 percent of annual lease costs through either program, or in combination with either program, for any one school year. Additionally, a school's eligible costs will be funded from the Charter School Facility Grant Program before getting funded through this Program. As the federal program is intended to supplement and not supplant state funding for charter schools, schools must maximize their award for eligible costs under the state program first. To that end, staff will be reviewing applicants' eligibility and funding history under the state program when finding schools eligible for this Program, and when making a final funding determination.*

### **II. Deadline/Mailing Dates:**

**Q: *What if our school misses the March 3, 2014 application deadline?***

**A:** Late applications *cannot* be accepted. All applications must be **received** by the Authority no later than 5:00 p.m. on Monday, March 3, 2014. Applicants are advised that, if using the U.S. Postal Service for delivery, to get a receipt as documentation of when that parcel was mailed. *Applicants also should ensure that parcels will be delivered prior to the deadline.*

**Q: *Should the application be submitted to the Sacramento or the Los Angeles address?***

A: Applications may be mailed or hand delivered\* to the Authority's offices in *either* Sacramento or Los Angeles. The addresses are provided below:

California School Finance Authority  
915 Capitol Mall, Room 101  
Sacramento, CA 95814

California School Finance Authority  
304 South Broadway, Suite 550  
Los Angeles, CA 90013

\*Please be aware that hand-delivered applications will not have a mailing date for use in the event of a tie-breaker. Please refer to Section 10183(a) of Program regulations regarding tie-breakers.

**III. General Information:**

**Q: *What are the eligibility criteria for this grant Program?***

Any Applicant shall be eligible to *apply* for a grant if *all* of the following conditions are met:

- (a) An approved charter has been awarded and is in place and current at the time of application, and without interruption throughout the application review and approval process.
- (b) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time of application submission and without interruption throughout the term of the grant. The Authority will rely on information from the chartering authority regarding the school's good standing and compliance with the terms of its charter. Charter schools may appeal any response by the chartering authority's staff directly to the chartering authority's governing board. It shall be the charter school's responsibility, and not the Authority's, to ensure that the good standing and compliance response letter is received by the stated deadline.
- (c) The charter school has completed at least one school year of instructional operations under its current County-District-School (CDS) Code and charter number issued by the California Department of Education.
- (d) The charter school has not received an award pursuant to the 2009 Program (Rounds 6-10).
- (e) At least eighty percent (80%) of the instructional time offered by the charter school shall be at the school site, and the charter school shall attain an average daily attendance rate of at least eighty percent (80%) based on the school's most recent CBEDS report.
- (f) The charter school is established pursuant to Education Code Section 47600, et seq., and also meets the federal definition of charter school as defined in Section 5210(1) of the Elementary and Secondary Education Act of 1965 (20 USCA Section 7221(i)), as amended by the No Child Left Behind Act of 2001.
- (g) The charter school admits students by lottery in the event more students want to attend the school than the school can accommodate.
- (h) The charter school is able to demonstrate costs are eligible pursuant to Section 10178.

**Q: Will charter schools that receive these federal funds be required to comply with any audit requirements?**

A: Subgrantees that receive more than \$500,000 in federal funds in any year, in combination through this Program and with any other federal funding program, will be required to conduct an A-133 audit ([www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)). Additionally, schools that receive a grant award must be actively registered with the U.S. System for Award Management (SAM) and have an active DUNS number (Dunn and Bradstreet number).

**Q: *What type of information should be submitted with the application to demonstrate the charter school is in good standing with its chartering entity and in compliance with the terms of its charter?***

A: Aside from a copy of the current charter and verification of the charter term, an applicant does not need to submit anything. Authority staff will seek the required verification directly from the chartering entity. If we are unable to obtain the requested information from the chartering authorizer, the applicant will be notified of the pending requirement.

**Q: *Are charter schools eligible to apply for funding from both the state-funded Charter School Facility Grant (CSFP) and this Program?***

A: Charter schools that received an apportionment of funding under CSFP will be eligible to apply for this Program as long as these federal grant funds are not applied toward the same project or facility that received an apportionment under CSFP.

**IV. Preference Points:**

**Q: *Does an applicant (charter school) need to have a 501(c)(3) letter from the Internal Revenue Service to receive the twenty non-profit preference points?***

A: To receive the twenty preference points, the school or entity operating the charter school must meet the definition of a non-profit entity. A charter school's non-profit status can be documented by either a 501(c)(3) letter from the Internal Revenue Service or verification from the California Secretary of State that reflects its non-profit status.

**Q: *Who is responsible for determining the amount of low-income preference points that each school receives?***

A: The low-income preference points will be based on the current Free & Reduced Price Meals percentage, as provided by the California Department of Education (CDE). Authority staff will access this information directly from CDE's web site. If there is an error in the percentage reported for your charter school or current information is not available, you will be responsible for contacting CDE to correct their records prior to receiving any points in this category.

**Q: *Who is responsible for determining the amount of overcrowded preference points that each school receives?***

A: The overcrowded preference points will be based on current information on file with the California Department of Education (CDE) related to the Overcrowding Relief Grant and/or

the Critically Overcrowded School programs. Authority staff will access this information directly from CDE. If current information is not available, the school will not receive any preference points for this category.

**Q: *Who is responsible for determining the amount of Academic Performance Index Growth Target (API) and Adequate Yearly Progress (AYP) preference points that each school receives?***

A: The API and AYP preference points, based on student performance for the most recent year, will be obtained from the California Department of Education (CDE). Authority staff will access this information directly from CDE's web site. If current information is not available, the school will not receive any preference points for this category.

#### **V. Maximum Grant Awards:**

**Q: *How can an applicant determine its maximum grant amount?***

A: The maximum annual grant award is based on a "lesser of the two" calculation.

Calculation 1) Authority staff will verify the number of students using the enrollment data provided by CDE and multiply that figure by the per-pupil grant amount of \$750 for lease or rent, or \$1,000 for purchase or construction.

Calculation 2) This calculation will be based on 75 percent of a school's annual facilities costs for lease or rent, or 75 percent of the annual portion for a purchase, construction, or renovation project.

Grant Amount: The maximum annual eligible grant award will be the lesser of the two aforementioned calculations.

For example, if the school's enrollment is 200, then the calculation for lease or rent based on enrollment would be \$150,000 (200 x \$750). If the school's annual lease or rent is \$50,000, then the calculation based on costs would be \$37,500 (\$50,000 x 75%). The lesser of the two calculations would be \$37,500, and the school would be eligible to receive an annual award of \$37,500 (lesser of the two).

#### **VI. Construction Projects:**

**Q: *Will schools that receive funding through this Program for construction or renovation projects be required to comply with Davis-Bacon prevailing wage levels?***

A: Yes. The Davis-Bacon Act requires that any federally funded or assisted construction project pay prevailing wages to laborers (if the contract exceeds \$2,000).

**Q: *Will charter schools that receive these federal funds for a construction project be required to comply with federal requirements, such as the National Environmental Protection Act (NEPA)?***

A: For the purposes of this grant Program, all charter schools that receive an award of these grant funds will be required to meet all applicable federal, state, and local health and safety requirements.

**Q: *Will applications for construction, renovation, or purchase need to include any other information?***

A: To meet the federal guidelines, eligible projects need to directly benefit the students and be related to the classroom facility. Applications for funding will need to include:

- A description of the construction or purchase project including a line-item breakdown of the anticipated costs, and
- A description of how the project will directly benefit the students.

If you have any questions or concerns, do not hesitate to contact the Authority at (916) 651-7710 or (213) 620-4467.